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User Guide | Ref No: 1198

Insurance Placement DPS 1198

Dynamic Purchasing System



About YPO

YPO provides procurement solutions for public sector organisations to set up or renew contracts for a wide range of services. Established in 1974 by a group of 13 local authorities, we're the UK's largest public sector buying organisation and we're still 100% publicly owned today.

We work closely with our suppliers and collaborate with other public sector buying organisations to achieve efficiencies and value for money, returning all our profits back into the heart of the public sector. Our team of qualified procurement professionals can offer advice, guidance and expertise on procurement, as well as regular engagement and communication to make sure your objectives are achieved.

Overview

Start date

21.05.2024

Expiry date

24.02.2029

Extension(s) (if applicable)

N/A

Contract notice reference number

2024/S 000-003581

Corrigendum notice

2024/S 000-008258

Rebate

0.6% paid by supplier/provider

Geographical location(s)

National



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Introduction

YPO, in partnership with ESPO and NEPO, has created two contractual agreements for insurance:

- **Insurance Brokerage Framework 1160**
- **Insurance Placement DPS 1198**

This approach keeps the choice of insurance brokers and insurers separate, via two distinct call-off phases. First, the Insurance Brokerage Framework allows for a direct comparison of each insurance broker and allows for the appointment of a chosen insurance broker as the contracting authorities' representative on matters relating to insurance.

Second, it provides the contracting authority and its chosen insurance broker with access, via the Insurance Placement DPS, to pre-selected and pre-qualified insurers.

The nature of the insurance market is cyclical, characterised by the fluctuating availability of insurers. Insurers enter and exit the sector depending on market conditions, known as either soft or hard market conditions.

The Insurance Placement DPS provides access to a wide range of insurance covers and associated services.

Insurers on the Insurance DPS 1198

The insurance market is made up of the different types of insurance companies:

- **Broker-only insurer:** An insurer that can only be accessed via an appointed insurance broker.
- **Direct dealing insurer:** An insurer who provides quotes directly to the customer.
- **Managing general agent or managing general underwriter:** A type of insurance agent or broker that has been granted underwriting authority by the insurer and can administer programs and negotiate contracts for an insurer.
- **Lloyd's of London:** This is an insurance and reinsurance market created by its members – insurers. Much of the work undertaken within the Lloyd's market works by subscription (also known as layering), where more than one syndicate takes a share of a single risk. Business is conducted face-to-face between Lloyd's approved brokers and underwriters.

Insurers are categorised by:

- the type of public sector organisation they wish to provide cover to;
- the core classes of insurance they wish to provide to each type of public sector organisation;
- the niche/specialist classes of insurance they wish to provide to each type of public sector organisation.

The insurance sector is regulated by the Financial Conduct Authority and Prudential Regulation Authority, which govern and monitor the quality standards within financial organisations.

The financial stability of insurers is assessed at the DPS stage by using S&P financial rating at the minimum level of B++ (or an equivalent such as AM Best).

Why use the Insurance Placement DPS

A DPS is available for contracts for works, services, and goods and it may be utilised and set up by any public sector organisation as set out in Regulation 34 of the Public Contract Regulations 2015.

It operates as an electronic procurement tool, similar in aspects to a traditional framework agreement but with one main exception: New providers, in this instance insurers, can join the DPS at any time.

The process of utilising a DPS is transparent and offers contracting authorities a fair analysis of the market. The process is completely electronic, providing a full audit history. It is a two-stage process:

- First, all insurers who meet the selection and mandatory criteria will be admitted onto the YPO Insurance Placement DPS.

- Individual Call-off Contracts are then awarded in the second stage. At this point, the Contracting Authority and its chosen insurance broker (when applicable), will invite all relevant insurers to participate in the further competition process and provide a submission.

The DPS can streamline procurement for both insurers and contracting authorities. Insurers will not have to demonstrate suitability and capability every time they wish to compete for a public sector contract, and the award of individual tenders can be quicker than under other procedures.

YPO will support both the contracting authorities and its chosen insurance broker in accessing the Insurance Placement DPS and providing full administration of the further competition process.

The advantage of a DPS arrangement is that new suppliers/providers can be admitted during the term of the DPS, subject to them passing the mandatory minimum selection criteria.

To request the latest supplier/insurer list, please email insurance@ypo.co.uk.



How to award/call-off

To access the DPS, contracting authorities should complete and return the Customer Access Agreement. YPO can then pre-agree the level of support that the contracting authority may require and can provide templates, advice and guidance to undertake a compliant further competition.

At the time of returning the signed Customer Access Agreement, contracting authorities can provide YPO with a list of their incumbent suppliers/insurers that have not already been appointed to the DPS. YPO can then work on the Authority's behalf with these suppliers/insurers to explain the process and evaluate any subsequent submissions. Authorities can then decide when to conduct further competition.

Authorities can conduct the further competition process themselves, but should be aware that this is a resource-intensive process. If an Authority wish to undertake its own further competition, YPO must be informed by email: insurance@ypo.co.uk.

YPO can run further competitions on contracting authorities' behalf on its e-tendering platform Proactis. Alternatively, authorities can be set up on Proactis as temporary users and manage their own further competition through the YPO platform.

No direct award option is available under any DPS arrangement, so a further competition is required.

Each Contracting Authority has different requirements when it comes to insurance cover. As a result, YPO does not have a template document for further competition, as each is unique. To kick off the procurement process, the Contracting Authority will have to work with their appointed broker first. The broker will work closely with the Contracting Authority to prepare the Invitation to Tender (ITT, also called Market Presentation). Within the ITT, the Contracting Authority will, along with the broker, include all necessary information such as insurance requirements, lots structure, claims history, risk management and instruction around procurement.

Once the ITT is ready and all supporting appendices have been provided by incumbent insurers, YPO will support the Contracting Authority further competition process by:

- advertising the further competition on the Proactis e-tendering portal;
- managing clarifications – once a day the Contracting Authority will receive an email from YPO with all collated clarifications;
- downloading submissions and sending these across to the Contracting Authority;
- awarding further competitions via the e-tendering portal;
- publishing the FTS contract award notice and contracts finder.

The Contracting Authority will be able to design further competition documentation, tailored specifically for their needs and objectives. Each Contracting Authority and/or its appointed broker will decide how to split weightings for evaluation and allocate points in accordance with their own insurance procurement strategy and appetite for risk.

The evaluation must be fair and transparent, and the evaluation criteria must be provided to the suppliers/providers within the further competition documentation.

How to award/call-off (continued)

When running a further competition, contracting authorities should award based on the most economically advantageous response and must provide suppliers/providers with the evaluation methodology, including the evaluation criteria and the weightings applied to each criterion.

Criteria	Percentage weightings
Cost	Range of 10%-70%
Non-cost	Range of 30%-90%

Cost:

This may include splitting into, but not be limited to:

- Premium
- Price sustainability and certainty
- Claims rebates

Non-cost:

This may include splitting into, but not be limited to:

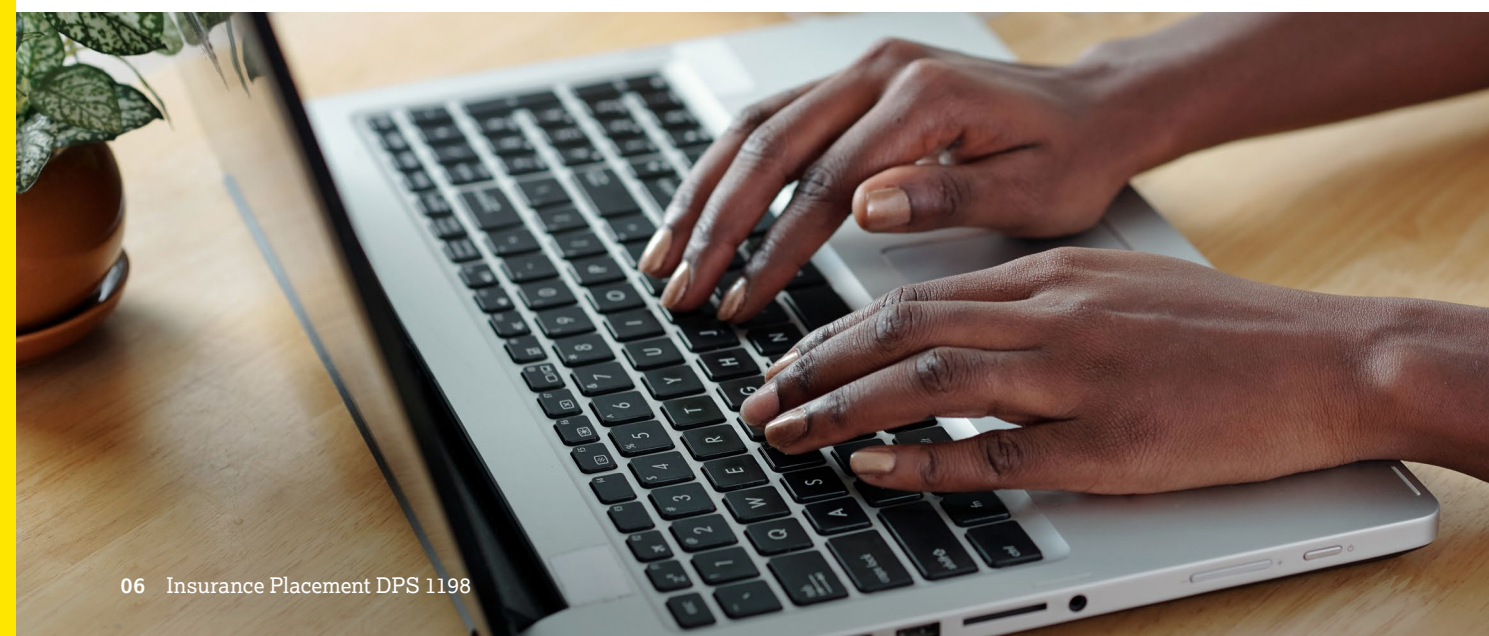
- Quality of cover, including the limits and exclusions imposed
- Capacity for amount of insurance offered
- Price sustainability and certainty
- Claims handling and account management
- Culture and approach to claims payment
- Approach to fraud identification
- Added value services
- Risk management
- Financial stability of insurer
- Compliance with insurance and tax laws
- Social Value, CSR, Sustainability

The Contracting Authority and/or its insurance Broker shall:

- Develop a Statement of Requirements setting out its insurance requirements, including any additional and related services, and the structure of the tender;
- Develop an Invitation to Tender/market presentation, including the claims and risk profile, claims details etc., for all Providers appointed to the DPS;
- Develop award and scoring methodology;
- Disclose to the Provider every material circumstance, in line with the obligations under the Insurance Act 2015, together with any enhancements thereof as well as any additional information requested by the Provider at the further competition stage;

When the Provider is invited by a Contracting Authority and/or its insurance Broker to respond to the further competition, the Provider shall either submit a proposal or opt out of bidding, and provide a reason as to why a proposal is not being submitted.

The Contracting Authority will lay out the terms in the Invitation to Tender. Where possible, Suppliers will be given a minimum of 4-6 weeks to submit their bid, unless a different timescale has been agreed for urgent requirements. Any site visits necessary will be co-ordinated by the Contracting Authority and must take place at the appointed date and time only.



Terms and conditions

Suppliers/providers awarded on to the DPS have agreed to and signed YPO's Establishment Agreement Terms and Conditions, which can be provided on request.

The call-off terms and conditions can be amended by the Contracting Authority and supplier/provider by mutual agreement to include additional terms to supplement the DPS Establishment Terms and Conditions. Section 7 of the Letter of Appointment in the call-off terms and conditions allows contracting authorities and suppliers/providers to amend any terms if required.

If the Contracting Authority proposes any amendments to the call-off terms and conditions, these must be provided to suppliers/providers in the further competition documentation. This will then allow all suppliers/providers on the DPS to consider any amendments and bid accordingly.

Contact information

For further information or to discuss individual requirements, please use the contact details below:

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